



QUARTERLY STATEMENT  
AS OF September 30, 2008  
OF THE CONDITION AND AFFAIRS OF THE  
TOTAL HEALTH CARE, INC.

NAIC Group Code	1238 (Current Period)	1238 (Prior Period)	NAIC Company Code	95644	Employer's ID Number	38-2018957
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	Michigan		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[ ] Dental Service Corporation[ ] Other[ ]		Property/Casualty[ ] Vision Service Corporation[ ] Is HMO Federally Qualified? Yes[X] No[ ] N/A[ ]		Hospital, Medical & Dental Service or Indemnity[ ] Health Maintenance Organization[X]	
Incorporated/Organized	07/01/1973		Commenced Business	05/01/1976		
Statutory Home Office	3011 W. GRAND BLVD. SUITE 1600 (Street and Number)		DETROIT, MI 48202 (City, or Town, State and Zip Code)			
Main Administrative Office	3011 W. GRAND BLVD. SUITE 1600 (Street and Number)					
	DETROIT, MI 48202 (City or Town, State and Zip Code)		(313)871-2000 (Area Code) (Telephone Number)			
Mail Address	3011 W. GRAND BLVD. SUITE 1600 (Street and Number or P.O. Box)		DETROIT, MI 48202 (City, or Town, State and Zip Code)			
Primary Location of Books and Records	3011 W. GRAND BLVD. SUITE 1600 (Street and Number)					
	DETROIT, MI 48202 (City, or Town, State and Zip Code)		(313)871-2000 (Area Code) (Telephone Number)			
Internet Website Address	TOTALHEALTHCAREONLINE.COM					
Statutory Statement Contact	LYLE E ALGATE, CEO (Name)		(313)871-7802 (Area Code)(Telephone Number)(Extension)			
	LALGATE@THC-ONLINE.COM (E-Mail Address)		(313)871-7406 (Fax Number)			

OFFICERS

Name	Title
LYLE EDWARD ALGATE	EXECUTIVE DIRECTOR
GERTRUDE HELEN MINKIEWICZ	SECRETARY
MARY JANE CLAY	TREASURER
ROBYN JAMES ARRINGTON JR.,M.D.	MEDICAL DIRECTOR
DOUGLAS PAUL BAKER	CHAIRPERSON
RUBY OCTAVIA COLE	VICE CHAIRPERSON

OTHERS

DIRECTORS OR TRUSTEES

JEANETTE ABBOTT	DOUGLAS PAUL BAKER
RUBY OCTAVIA COLE	KATHLEEN THERESA KATHER
MARY JANE CLAY	GERTRUDE HELEN MINKIEWICZ
VERLANDO SIMS	

State of Michigan  
County of WAYNE ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

*Gertrude Helen Minkiewicz*

(Signature)	(Signature)	(Signature)
LYLE EDWARD ALGATE	GERTRUDE HELEN MINKIEWICZ	MARY JANE CLAY
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
EXECUTIVE DIRECTOR	SECRETARY	TREASURER
(Title)	(Title)	(Title)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2008

a. Is this an original filing? \_\_\_\_\_  
b. If no, 1. State the amendment number \_\_\_\_\_  
2. Date filed \_\_\_\_\_  
3. Number of pages attached \_\_\_\_\_

Yes[X] No[ ]

\_\_\_\_\_  
(Notary Public Signature)

ASSETS

		Current Statement Date			4
		1	2	3	
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31, Prior Year Net Admitted Assets
1.	Bonds .....	1,000,000		1,000,000	1,000,000
2.	Stocks:				
2.1	Preferred stocks .....	5,900,000		5,900,000	
2.2	Common stocks .....	16,818,231		16,818,231	16,183,788
3.	Mortgage loans on real estate:				
3.1	First liens .....				
3.2	Other than first liens .....				
4.	Real estate:				
4.1	Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2	Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3	Properties held for sale (less \$.....0 encumbrances) .....				
5.	Cash (\$.....10,181,301), cash equivalents (\$.....0) and short-term investments (\$.....9,536,884) .....	19,718,185		19,718,185	34,245,899
6.	Contract loans (including \$.....0 premium notes) .....				
7.	Other invested assets .....				
8.	Receivables for securities .....				
9.	Aggregate write-ins for invested assets .....				
10.	Subtotals, cash and invested assets (Lines 1 to 9) .....	43,436,416		43,436,416	51,429,687
11.	Title plants less \$.....0 charged off (for Title insurers only) .....				
12.	Investment income due and accrued .....	31,577		31,577	25,508
13.	Premiums and considerations:				
13.1	Uncollected premiums and agents' balances in the course of collection .....	2,128		2,128	707
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums) .....				
13.3	Accrued retrospective premiums .....				
14.	Reinsurance:				
14.1	Amounts recoverable from reinsurers .....	68,327		68,327	
14.2	Funds held by or deposited with reinsured companies .....				
14.3	Other amounts receivable under reinsurance contracts .....				
15.	Amounts receivable relating to uninsured plans .....				
16.1	Current federal and foreign income tax recoverable and interest thereon .....				
16.2	Net deferred tax asset .....				
17.	Guaranty funds receivable or on deposit .....				
18.	Electronic data processing equipment and software .....				
19.	Furniture and equipment, including health care delivery assets (\$.....0) .....				
20.	Net adjustments in assets and liabilities due to foreign exchange rates .....				
21.	Receivables from parent, subsidiaries and affiliates .....	1,908,000		1,908,000	
22.	Health care (\$.....3,279,101) and other amounts receivable .....	3,288,508		3,288,508	1,720,613
23.	Aggregate write-ins for other than invested assets .....	327,631	327,631		
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) .....	49,062,587	327,631	48,734,956	53,176,515
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
26.	Total (Lines 24 and 25) .....	49,062,587	327,631	48,734,956	53,176,515
DETAILS OF WRITE-INS					
0901.	.....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page .....				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....				
2301.	Intangible Assets .....	107,892	107,892		
2302.	Refunds Due from Providers > 90 days .....	219,739	219,739		
2303.	.....				
2398.	Summary of remaining write-ins for Line 23 from overflow page .....				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	327,631	327,631		

**LIABILITIES, CAPITAL AND SURPLUS**

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded) .....	16,188,068		16,188,068	19,795,360
2.	Accrued medical incentive pool and bonus amounts .....	164,518		164,518	1,719,379
3.	Unpaid claims adjustment expenses .....	364,149		364,149	290,721
4.	Aggregate health policy reserves .....				
5.	Aggregate life policy reserves .....				
6.	Property/casualty unearned premium reserve .....				
7.	Aggregate health claim reserves .....				
8.	Premiums received in advance .....	8,168		8,168	8,063
9.	General expenses due or accrued .....				
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)) .....				
10.2	Net deferred tax liability .....				
11.	Ceded reinsurance premiums payable .....				
12.	Amounts withheld or retained for the account of others .....				
13.	Remittances and items not allocated .....				
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....				
15.	Amounts due to parent, subsidiaries and affiliates .....				
16.	Payable for securities .....				
17.	Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers) .....				
18.	Reinsurance in unauthorized companies .....				
19.	Net adjustments in assets and liabilities due to foreign exchange rates .....				
20.	Liability for amounts held under uninsured plans .....				
21.	Aggregate write-ins for other liabilities (including \$.....0 current) .....	3,000		3,000	3,000
22.	Total liabilities (Lines 1 to 21) .....	16,727,903		16,727,903	21,816,523
23.	Aggregate write-ins for special surplus funds .....	X X X	X X X		
24.	Common capital stock .....	X X X	X X X		
25.	Preferred capital stock .....	X X X	X X X		
26.	Gross paid in and contributed surplus .....	X X X	X X X		
27.	Surplus notes .....	X X X	X X X		
28.	Aggregate write-ins for other than special surplus funds .....	X X X	X X X		
29.	Unassigned funds (surplus) .....	X X X	X X X	32,007,053	31,359,992
30.	Less treasury stock, at cost:				
30.1	.....0 shares common (value included in Line 24 \$.....0) .....	X X X	X X X		
30.2	.....0 shares preferred (value included in Line 25 \$.....0) .....	X X X	X X X		
31.	Total capital and surplus (Lines 23 to 29 minus Line 30) .....	X X X	X X X	32,007,053	31,359,992
32.	Total Liabilities, capital and surplus (Lines 22 and 31) .....	X X X	X X X	48,734,956	53,176,515
<b>DETAILS OF WRITE-INS</b>					
2101.	Accrued Other .....	3,000		3,000	3,000
2102.	.....				
2103.	.....				
2198.	Summary of remaining write-ins for Line 21 from overflow page .....				
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above) .....	3,000		3,000	3,000
2301.	.....	X X X	X X X		
2302.	.....	X X X	X X X		
2303.	.....	X X X	X X X		
2398.	Summary of remaining write-ins for Line 23 from overflow page .....	X X X	X X X		
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	X X X	X X X		
2801.	.....	X X X	X X X		
2802.	.....	X X X	X X X		
2803.	.....	X X X	X X X		
2898.	Summary of remaining write-ins for Line 28 from overflow page .....	X X X	X X X		
2899.	TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above) .....	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date	Prior Year Ended December 31
		1 Uncovered	2 Total	3 Total	4 Total
1.	Member Months .....	X X X .....	486,177	502,155	666,466
2.	Net premium income (including \$.....0 non-health premium income) .....	X X X .....	122,696,769	121,222,983	162,846,022
3.	Change in unearned premium reserves and reserves for rate credits .....	X X X .....			
4.	Fee-for-service (net of \$.....0 medical expenses) .....	X X X .....			
5.	Risk revenue .....	X X X .....			
6.	Aggregate write-ins for other health care related revenues .....	X X X .....	(6,810,529)	(7,255,645)	(9,683,638)
7.	Aggregate write-ins for other non-health revenues .....	X X X .....			
8.	Total revenues (Lines 2 to 7) .....	X X X .....	115,886,240	113,967,338	153,162,384
<b>Hospital and Medical:</b>					
9.	Hospital/medical benefits .....		78,711,992	70,171,948	95,796,513
10.	Other professional services .....		3,113,458	6,708,463	4,898,916
11.	Outside referrals .....				
12.	Emergency room and out-of-area .....		9,607,277	6,961,675	9,583,599
13.	Prescription drugs .....		10,883,458	10,746,255	14,436,947
14.	Aggregate write-ins for other hospital and medical .....		529,268	2,188,695	2,290,028
15.	Incentive pool, withhold adjustments and bonus amounts .....		(207,633)	2,459,606	2,186,332
16.	Subtotal (Lines 9 to 15) .....		102,637,820	99,236,642	129,192,335
<b>Less:</b>					
17.	Net reinsurance recoveries .....		68,328		
18.	Total hospital and medical (Lines 16 minus 17) .....		102,569,492	99,236,642	129,192,335
19.	Non-health claims (net) .....				
20.	Claims adjustment expenses, including \$.....0 cost containment expenses .....		258,370	269,939	366,007
21.	General administrative expenses .....		12,866,603	13,450,835	17,874,644
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....				
23.	Total underwriting deductions (Lines 18 through 22) .....		115,694,465	112,957,416	147,432,986
24.	Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X .....	191,775	1,009,922	5,729,398
25.	Net investment income earned .....		738,140	1,287,413	1,702,691
26.	Net realized capital gains (losses) less capital gains tax of \$.....0 .....			(567)	(567)
27.	Net investment gains or (losses) (Lines 25 plus 26) .....		738,140	1,286,846	1,702,124
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] .....				
29.	Aggregate write-ins for other income or expenses .....				
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	X X X .....	929,915	2,296,768	7,431,522
31.	Federal and foreign income taxes incurred .....	X X X .....			
32.	Net income (loss) (Lines 30 minus 31) .....	X X X .....	929,915	2,296,768	7,431,522
<b>DETAILS OF WRITE-INS</b>					
0601.	Quality Assessment Assurance Fee .....	X X X .....	(6,810,529)	(7,255,645)	(9,683,638)
0602.	.....	X X X .....			
0603.	.....	X X X .....			
0698.	Summary of remaining write-ins for Line 6 from overflow page .....	X X X .....			
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X .....	(6,810,529)	(7,255,645)	(9,683,638)
0701.	.....	X X X .....			
0702.	.....	X X X .....			
0703.	.....	X X X .....			
0798.	Summary of remaining write-ins for Line 7 from overflow page .....	X X X .....			
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	X X X .....			
1401.	Other Expense .....		529,268	2,188,695	2,290,028
1402.	.....				
1403.	.....				
1498.	Summary of remaining write-ins for Line 14 from overflow page .....				
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....		529,268	2,188,695	2,290,028
2901.	.....				
2902.	.....				
2903.	Miscellaneous Revenues .....				
2998.	Summary of remaining write-ins for Line 29 from overflow page .....				
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) .....				

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

		1	2	3
		Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>				
33.	Capital and surplus prior reporting year .....	31,359,992	20,714,003	20,714,003
34.	Net income or (loss) from Line 32 .....	929,915	2,296,768	7,431,522
35.	Change in valuation basis of aggregate policy and claim reserves .....			
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 .....	(319,557)	3,463,494	2,808,987
37.	Change in net unrealized foreign exchange capital gain or (loss) .....			
38.	Change in net deferred income tax .....			
39.	Change in nonadmitted assets .....	36,703	9,234	405,480
40.	Change in unauthorized reinsurance .....			
41.	Change in treasury stock .....			
42.	Change in surplus notes .....			
43.	Cumulative effect of changes in accounting principles .....			
44.	Capital Changes:			
44.1	Paid in .....			
44.2	Transferred from surplus (Stock Dividend) .....			
44.3	Transferred to surplus .....			
45.	Surplus adjustments:			
45.1	Paid in .....			
45.2	Transferred to capital (Stock Dividend) .....			
45.3	Transferred from capital .....			
46.	Dividends to stockholders .....			
47.	Aggregate write-ins for gains or (losses) in surplus .....			
48.	Net change in capital and surplus (Lines 34 to 47) .....	647,061	5,769,496	10,645,989
49.	Capital and surplus end of reporting period (Line 33 plus 48) .....	32,007,053	26,483,499	31,359,992
<b>DETAILS OF WRITE-INS</b>				
4701.	.....	.....	.....	.....
4702.	.....	.....	.....	.....
4703.	.....	.....	.....	.....
4798.	Summary of remaining write-ins for Line 47 from overflow page .....	.....	.....	.....
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....	.....	.....	.....

**CASH FLOW**

		1 Current Year To Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	122,695,453	162,973,818
2.	Net investment income .....	732,071	1,722,271
3.	Miscellaneous income .....	(8,369,517)	(9,325,960)
4.	Total (Lines 1 to 3) .....	115,058,007	155,370,129
5.	Benefit and loss related payments .....	110,661,972	126,715,449
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	13,051,545	18,278,952
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....		
10.	Total (Lines 5 through 9) .....	123,713,517	144,994,401
11.	Net cash from operations (Line 4 minus Line 10) .....	(8,655,510)	10,375,728
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	954,000	1,000,000
12.2	Stocks .....		
12.3	Mortgage loans .....		
12.4	Real estate .....		
12.5	Other invested assets .....		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7	Miscellaneous proceeds .....		(568)
12.8	Total investment proceeds (Lines 12.1 to 12.7) .....	954,000	999,432
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	5,900,000	1,000,000
13.2	Stocks .....		
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....		
13.6	Miscellaneous applications .....		
13.7	Total investments acquired (Lines 13.1 to 13.6) .....	5,900,000	1,000,000
14.	Net increase (or decrease) in contract loans and premium notes .....		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14) .....	(4,946,000)	(568)
<b>Cash from Financing and Miscellaneous Sources</b>			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....		
16.2	Capital and paid in surplus, less treasury stock .....		
16.3	Borrowed funds .....		
16.4	Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5	Dividends to stockholders .....		
16.6	Other cash provided (applied) .....	(926,204)	233,498
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6) .....	(926,204)	233,498
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(14,527,714)	10,608,658
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	34,245,899	23,637,241
19.2	End of period (Line 18 plus Line 19.1) .....	19,718,185	34,245,899

**Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:**

Description		Amount 1	Amount 2
20.0001	During 2007, an agreement was negotiated with Total Health Care USA, Inc. (USA), the Company's wholly owned subsidiary, whereby medical cost savings realized by USA under its blended provider contracts negotiated in conjunction with the Company would be shared with the Company. Refer to Footnote 10 for further details. Through 3/31/08 there has been an adjustment for \$954,000 which has been recorded as a reduction of Hospital and Medical Expense. ....		
20.0002			

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION**

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year .....	54,551	29							54,522	
2. First Quarter .....	54,624	28							54,596	
3. Second Quarter .....	53,626	28							53,598	
4. Third Quarter .....	53,714	25							53,689	
5. Current Year .....										
6. Current Year Member Months .....	486,177	258							485,919	
Total Member Ambulatory Encounters for Period:										
7. Physician .....	258,163	583							257,580	
8. Non-Physician .....	169,969	326							169,643	
9. Total .....	428,132	909							427,223	
10. Hospital Patient Days Incurred .....	19,157	15							19,142	
11. Number of Inpatient Admissions .....	5,219	5							5,214	
12. Health Premiums Written (a) .....	122,879,884	75,590							122,804,294	
13. Life Premiums Direct .....										
14. Property/Casualty Premiums Written .....										
15. Health Premiums Earned .....	122,879,884	75,590							122,804,294	
16. Property/Casualty Premiums Earned .....										
17. Amount Paid for Provision of Health Care Services .....	106,981,334	75,346							106,905,988	
18. Amount Incurred for Provision of Health Care Services .....	102,637,820	73,108							102,564,712	

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.0.

**CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)**

Aging Analysis of Unpaid Claims						
1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
Individually Listed Claims Unpaid						
RX AMERICA .....	921,540					921,540
0199999 Individually Listed Claims Unpaid .....	921,540					921,540
0299999 Aggregate Accounts Not Individually Listed - Uncovered .....						
0399999 Aggregate Accounts Not Individually Listed - Covered .....	4,346,421					4,346,421
0499999 Subtotals .....	5,267,961					5,267,961
0599999 Unreported claims and other claim reserves .....						10,920,107
0699999 Total Amounts Withheld .....						
0799999 Total Claims Unpaid .....						16,188,068
0899999 Accrued Medical Incentive Pool And Bonus Amounts .....						164,518



**UNDERWRITING AND INVESTMENT EXHIBIT**

**ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE**

Line of Business		Claims Paid Year to Date		Liability End of Current Quarter		5  Claims Incurred in Prior Years (Columns 1+3)	6  Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
		1	2	3	4		
		On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec.31 of Prior Year	On Claims Incurred During the Year		
1.	Comprehensive (hospital & medical) .....	4,826	68,687	3,250	7,901	8,076	11,232
2.	Medicare Supplement .....						
3.	Dental only .....						
4.	Vision only .....						
5.	Federal Employees Health Benefits Plan .....						
6.	Title XVIII - Medicare .....						
7.	Title XIX - Medicaid .....	14,026,497	92,881,324	1,296,750	14,880,167	15,323,247	19,784,128
8.	Other health .....						
9.	Health subtotal (Lines 1 to 8) .....	14,031,323	92,950,011	1,300,000	14,888,068	15,331,323	19,795,360
10.	Healthcare receivables (a) .....						
11.	Other non-health .....						
12.	Medical incentive pools and bonus amounts .....	150,062	600,249	54,291	110,227	204,353	1,719,379
13.	Totals .....	14,181,385	93,550,260	1,354,291	14,998,295	15,535,676	21,514,739

(a) Excludes \$.00 loans or advances to providers not yet expensed.

## **Notes to Financial Statement**

### **Note 1 – Nature of Business and Significant Accounting Policies**

NO CHANGE

### **Note 2 – Accounting Changes and Corrections of Errors**

NO CHANGE

### **Note 3 – Business Combinations and Goodwill**

This note is not applicable to the Company.

### **Note 4 – Discontinued Operations**

This note is not applicable to the Company.

### **Note 5 – Investments**

NO CHANGE

### **Note 6 – Joint Ventures, Partnerships and Limited Liability Companies**

NO CHANGE

### **Note 7 – Investment Income**

NO CHANGE

### **Note 8 – Derivative Instruments**

NO CHANGE

### **Note 9 – Income Taxes**

This note is not applicable to the Company.

### **Note 10 – Information Concerning Parent, Subsidiaries, and Affiliates**

During 2007, an agreement was negotiated with Total Health Care USA, Inc. (USA), the Company's wholly owned subsidiary, whereby medical cost savings realized by USA under its blended provider contracts negotiated in conjunction with the Company would be shared with the Company. Through September 30, 2008 there has been an adjustment for \$2,862,000 which has been recorded as a reduction of Hospital and Medical Expense.

### **Note 11 – Debt**

This note is not applicable to the Company.

### **Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences, and Other Postretirement Benefit Plans**

This note is not applicable to the Company.

### **Note 13 – Capital and Surplus, Stockholders' Dividend Restrictions, and Quasi-reorganizations**

NO CHANGE

### **Note 14 – Contingencies**

# Notes to Financial Statement

NO CHANGE

**Note 15 – Leases**

NOCHANGE

**Note 16 – Information about Financial Instruments with Off–balance–sheet Risk  
and Financial Instruments with Concentrations of Credit Risk**

This note is not applicable to the Company.

**Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments  
of Liabilities**

This note is not applicable to the Company.

**Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the  
Uninsured Portion of Partially Insured Plans**

This note is not applicable to the Company.

**Note 19 – Direct Premium Written/Produced by Managing General  
Agents/Third–party Administrators**

This note is not applicable to the Company.

**Note 20 – Other Items**

NO CHANGE

**Note 21 – Events Subsequent**

NO CHANGE

**Note 22 – Reinsurance**

NO CHANGE

**Note 23 – Retrospectively Rated Contracts and Contracts Subject to  
Redetermination**

This note is not applicable to the Company.

**Note 24 – Change in Incurred Losses**

NO CHANGE

**Note 25 – Intercompany Pooling Arrangements**

This note is not applicable to the Company.

**Note 26 – Structured Settlements**

This note is not applicable to the Company.

**Note 27 – Health Care Receivables**

NO CHANGE

**Note 28 – Participating Policies**

This note is not applicable to the Company.

**Note 29 – Premium Deficiency Reserves**

This note is not applicable to the Company.

**Notes to Financial Statement**

**Note 30 – Anticipated Salvage and Subrogation**

NO CHANGE

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes[ ] No[X]
- 1.2 If yes, has the report been filed with the domiciliary state?

Yes[ ] No[ ] N/A[X]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[ ] No[X]
- 2.2 If yes, date of change:

.....
3. Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes[ ] No[X]
- If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[ ] No[X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile
.....	.....	.....

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

Yes[ ] No[ ] N/A[X]
- If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

.....12/31/2005.....
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

.....12/31/2005.....
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

.....08/02/2007.....
- 6.4 By what department or departments?

MICHIGAN OFFICE OF FINANCIAL AND INSURANCE REGULATION
- 6.5 Have any financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes[ ] No[ ] N/A[X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[ ] No[ ] N/A[X]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[ ] No[X]
- 7.2 If yes, give full information
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[ ] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[ ] No[X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
.....	.....	. Yes[ ] No[X] .	. Yes[ ] No[X] .	. Yes[ ] No[X] .	. Yes[ ] No[X] .	. Yes[ ] No[X] .

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes[X] No[ ]
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:

Yes[ ] No[X]
- 9.2 Has the code of ethics for senior managers been amended?

Yes[ ] No[X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes[ ] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[X] No[ ]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$.....1,908,000

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes[ ] No[X]
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$.....0
13. Amount of real estate and mortgages held in short-term investments:

\$.....0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes[X] No[ ]
- 14.2 If yes, please complete the following:

**GENERAL INTERROGATORIES (Continued)**

		1	2
		Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21	Bonds .....		
14.22	Preferred Stock .....		
14.23	Common Stock .....	16,183,788	16,818,231
14.24	Short-Term Investments .....		
14.25	Mortgages Loans on Real Estate .....		
14.26	All Other .....		
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....	16,183,788	16,818,231
14.28	Total Investment in Parent included in Lines 14.21 to 14.26 above .....		

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?  
If no, attach a description with this statement.

Yes[ ] No[X]  
Yes[ ] No[ ] N/A[X]

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, G - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

Yes[X] No[ ]

1	2
Name of Custodian(s)	Custodian Address
JP MORGAN - KATE MCDONALD .....	500 STANTON CHRISTIANA RD., NEWARK, DE 19713 .....
COMERICA BANK - LYNN HUTZEL-VISEL .....	P.O. BOX 75000 DETROIT, MI 48275-3462 .....

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
.....	.....	.....

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

16.4 If yes, give full and complete information relating thereto:

Yes[ ] No[X]

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
.....	.....	.....	.....

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository	Name(s)	Address
.....	.....	.....

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

17.2 If no, list exceptions:  
N/A

Yes[ ] No[X]

**SCHEDULE S - CEDED REINSURANCE**  
**Showing All New Reinsurance Treaties - Current Year to Date**

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
<b>Accident and Health - Non-affiliates</b>						
92711 .....	35-1817054 .....	11/01/2007 .....	HCC LIFE INS CO .....	MINNEAPOLIS, MN .....	SSL/L/I .....	Yes[X] No[ ] .....

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

**Current Year to Date - Allocated by States and Territories**

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama (AL) .....	N ..								
2.	Alaska (AK) .....	N ..								
3.	Arizona (AZ) .....	N ..								
4.	Arkansas (AR) .....	N ..								
5.	California (CA) .....	N ..								
6.	Colorado (CO) .....	N ..								
7.	Connecticut (CT) .....	N ..								
8.	Delaware (DE) .....	N ..								
9.	District of Columbia (DC) .....	N ..								
10.	Florida (FL) .....	N ..								
11.	Georgia (GA) .....	N ..								
12.	Hawaii (HI) .....	N ..								
13.	Idaho (ID) .....	N ..								
14.	Illinois (IL) .....	N ..								
15.	Indiana (IN) .....	N ..								
16.	Iowa (IA) .....	N ..								
17.	Kansas (KS) .....	N ..								
18.	Kentucky (KY) .....	N ..								
19.	Louisiana (LA) .....	N ..								
20.	Maine (ME) .....	N ..								
21.	Maryland (MD) .....	N ..								
22.	Massachusetts (MA) .....	N ..								
23.	Michigan (MI) .....	L ..	75,590		122,804,294				122,879,884	
24.	Minnesota (MN) .....	N ..								
25.	Mississippi (MS) .....	N ..								
26.	Missouri (MO) .....	N ..								
27.	Montana (MT) .....	N ..								
28.	Nebraska (NE) .....	N ..								
29.	Nevada (NV) .....	N ..								
30.	New Hampshire (NH) .....	N ..								
31.	New Jersey (NJ) .....	N ..								
32.	New Mexico (NM) .....	N ..								
33.	New York (NY) .....	N ..								
34.	North Carolina (NC) .....	N ..								
35.	North Dakota (ND) .....	N ..								
36.	Ohio (OH) .....	N ..								
37.	Oklahoma (OK) .....	N ..								
38.	Oregon (OR) .....	N ..								
39.	Pennsylvania (PA) .....	N ..								
40.	Rhode Island (RI) .....	N ..								
41.	South Carolina (SC) .....	N ..								
42.	South Dakota (SD) .....	N ..								
43.	Tennessee (TN) .....	N ..								
44.	Texas (TX) .....	N ..								
45.	Utah (UT) .....	N ..								
46.	Vermont (VT) .....	N ..								
47.	Virginia (VA) .....	N ..								
48.	Washington (WA) .....	N ..								
49.	West Virginia (WV) .....	N ..								
50.	Wisconsin (WI) .....	N ..								
51.	Wyoming (WY) .....	N ..								
52.	American Samoa (AS) .....	N ..								
53.	Guam (GU) .....	N ..								
54.	Puerto Rico (PR) .....	N ..								
55.	U.S. Virgin Islands (VI) .....	N ..								
56.	Northern Mariana Islands (MP) .....	N ..								
57.	Canada (CN) .....	N ..								
58.	Aggregate other alien (OT) .....	X X X ..								
59.	Subtotal .....	X X X ..	75,590		122,804,294				122,879,884	
60.	Reporting entity contributions for Employee Benefit Plans .....	X X X ..								
61.	Total (Direct Business) .....	(a)..... 1	75,590		122,804,294				122,879,884	
DETAILS OF WRITE-INS										
5801.	.....	X X X ..								
5802.	.....	X X X ..								
5803.	.....	X X X ..								
5898.	Summary of remaining write-ins for Line 58 from overflow page .....	X X X ..								
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above) .....	X X X ..								

(a) Insert the number of yes responses except for Canada and Other Alien.



**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER**  
**MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**

TOTAL HEALTH CARE, INC. – PARENT  
38-2018957, NAIC #95644, STATE OF MICHIGAN

TOTAL HEALTH CARE USA, INC. – WHOLLY OWNED SUBSIDIARY OF TOTAL HEALTH CARE, INC.  
38-3240485, NAIC #12326, STATE OF MICHIGAN

TOTAL HEALTH CHOICE, INC. – WHOLLY OWNED SUBSIDIARY OF TOTAL HEALTH CARE, INC.  
33-0603319, NAIC #95134, STATE OF FLORIDA

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	RESPONSE
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	No

Explanations:  
1. THE PLAN DOES NOT PARTICIPATE IN MEDICARE

Bar Codes:

Medicare Part D Coverage Supplement



95644200836500003

2008

Document Code: 365

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
4704. ....			
4797. Summary of remaining write-ins for Line 47 (Lines 4704 through 4796) .....			

STATEMENT AS OF **September 30, 2008** OF THE **TOTAL HEALTH CARE, INC.**

**SCHEDULE A - VERIFICATION**

Real Estate		
	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8 )		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

**SCHEDULE B - VERIFICATION**

Mortgage Loans

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest point		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

**SCHEDULE BA - VERIFICATION**

Other Long-Term Invested Assets

	1	2
Description	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

**SCHEDULE D - VERIFICATION**

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	17,183,788	10,555,711
2. Cost of bonds and stocks acquired	8,004,000	1,000,000
3. Accrual of discount		
4. Unrealized valuation increase (decrease)	(319,557)	6,628,077
5. Total gain (loss) on disposals		
6. Deduct consideration for bonds and stocks disposed of	1,150,000	1,000,000
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	23,718,231	17,183,788
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	23,718,231	17,183,788

**SCHEDULE D - PART 1B**  
**Showing the Acquisitions, Dispositions and Non-Trading Activity**  
**During the Current Quarter for all Bonds and Preferred Stock by Rating Class**

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a) .....	9,269,780	1,150,000		117,104	16,200,451	9,269,780	10,536,884	16,036,677
2. Class 2 (a) .....								
3. Class 3 (a) .....								
4. Class 4 (a) .....								
5. Class 5 (a) .....								
6. Class 6 (a) .....								
7. Total Bonds .....	9,269,780	1,150,000		117,104	16,200,451	9,269,780	10,536,884	16,036,677
<b>PREFERRED STOCK</b>								
8. Class 1 .....	7,050,000		1,150,000			7,050,000	5,900,000	
9. Class 2 .....								
10. Class 3 .....								
11. Class 4 .....								
12. Class 5 .....								
13. Class 6 .....								
14. Total Preferred Stock .....	7,050,000		1,150,000			7,050,000	5,900,000	
15. Total Bonds & Preferred Stock .....	16,319,780	1,150,000	1,150,000	117,104	16,200,451	16,319,780	16,436,884	16,036,677

Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0

**SCHEDULE DA - PART 1**

**Short - Term Investments Owned End of Current Quarter**

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
8299999. Totals .....	9,536,884	X X X	9,536,884	400,139	

**SCHEDULE DA - Verification**

**Short-Term Investments**

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year .....	15,036,677	14,252,706
2.	Cost of short-term investments acquired .....	5,750,139	784,538
3.	Accrual of discount .....		
4.	Unrealized valuation increase (decrease) .....	68	(567)
5.	Total gain (loss) on disposals .....		
6.	Deduct consideration received on disposals .....	11,250,000	
7.	Deduct amortization of premium .....		
8.	Total foreign exchange change in book/adjusted carrying value .....		
9.	Deduct current year's other than temporary impairment recognized .....		
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	9,536,884	15,036,677
11.	Deduct total nonadmitted amounts .....		
12.	Statement value at end of current period (Line 10 minus Line 11) .....	9,536,884	15,036,677

<b>SI04</b>	<b>Schedule DB Part F Section 1 .....</b>	<b>NONE</b>
<b>SI05</b>	<b>Schedule DB Part F Section 2 .....</b>	<b>NONE</b>
<b>SI06</b>	<b>Schedule E - Verification (Cash Equivalents) .....</b>	<b>NONE</b>
<b>E01</b>	<b>Schedule A Part 2 .....</b>	<b>NONE</b>
<b>E01</b>	<b>Schedule A Part 3 .....</b>	<b>NONE</b>
<b>E02</b>	<b>Schedule B Part 2 .....</b>	<b>NONE</b>
<b>E02</b>	<b>Schedule B Part 3 .....</b>	<b>NONE</b>
<b>E03</b>	<b>Schedule BA Part 2 .....</b>	<b>NONE</b>
<b>E03</b>	<b>Schedule BA Part 3 .....</b>	<b>NONE</b>
<b>E04</b>	<b>Schedule D Part 3 .....</b>	<b>NONE</b>

**SCHEDULE D - PART 4**  
**Show All Long-Term Bonds and Stocks Sold, Redeemed, or Otherwise Disposed of**  
**by the Company During the Current Quarter**

1	2	3 F o r e i g n	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description		Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
6099998	Summary Item from Part 5 for Bonds (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
<b>Preferred Stock - Industrial and Miscellaneous (Unaffiliated)</b>																					
64190A301	NEUGERGER BERMEN REAL ESTATE		09/30/2008	COMERICA BANK	46,000	1,150,000	1,150,000.00	1,150,000							1,150,000				31,953	X X X	1Z
6399999	Subtotal - Preferred Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	1,150,000	X X X	1,150,000							1,150,000				31,953	X X X	X X X
6599997	Subtotal - Preferred Stock - Part 4				X X X	1,150,000	X X X	1,150,000							1,150,000				31,953	X X X	X X X
6599998	Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
6599999	Subtotal - Preferred Stock				X X X	1,150,000	X X X	1,150,000							1,150,000				31,953	X X X	X X X
7299998	Summary Item from Part 5 for Common Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
7399999	Subtotal - Preferred and Common Stocks				X X X	1,150,000	X X X	1,150,000							1,150,000				31,953	X X X	X X X
7499999	Total - Bonds, Preferred and Common Stocks				X X X	1,150,000	X X X	1,150,000							1,150,000				31,953	X X X	X X X

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....0.



**E06      Schedule DB Part A Section 1 ..... NONE**

**E06      Schedule DB Part B Section 1 ..... NONE**

**E07      Schedule DB Part C Section 1 ..... NONE**

**E07      Schedule DB Part D Section 1 ..... NONE**

**SCHEDULE E - PART 1 - CASH**

**Month End Depository Balances**

1			2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
Depository			Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6	7	8	*
							First Month	Second Month	Third Month	
open depositories										
COMERICA BANK .....	DETROIT, MI .....				66,361	85	13,551,466	10,961,188	10,181,301	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories ..			X X X	X X X ..						X X X
0199999 Totals - Open Depositories .....			X X X	X X X ..	66,361	85	13,551,466	10,961,188	10,181,301	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories .....										
			X X X	X X X ..						X X X
0299999 Totals - Suspended Depositories .....			X X X	X X X ..						X X X
0399999 Total Cash On Deposit .....			X X X	X X X ..	66,361	85	13,551,466	10,961,188	10,181,301	X X X
0499999 Cash in Company's Office .....			X X X	X X X ..	X X X	X X X ..				X X X
0599999 Total Cash .....			X X X	X X X ..	66,361	85	13,551,466	10,961,188	10,181,301	X X X

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
<div>NONE</div>							
8799999 Total - Cash Equivalents .....					.....	.....	.....



**MEDICARE PART D COVERAGE SUPPLEMENT**  
**Net of Reinsurance**  
**For the Quarter Ended September 30, 2008**

NAIC Group Code: 1238

NAIC Company Code: 95644

		Individual Coverage		Group Coverage		5 Total Cash
		1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1.	Premiums Collected .....		X X X		X X X	
2.	Earned Premiums .....		X X X		X X X	X X X
3.	Claims Paid .....		X X X		X X X	
4.	Claims Incurred .....		X X X		X X X	X X X
5.	Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a) .....	X X X		X X X		
6.	Aggregate Policy Reserves - change .....		X X X		X X X	X X X
7.	Expenses Paid .....		X X X		X X X	
8.	Expenses Incurred .....		X X X		X X X	X X X
9.	Underwriting Gain or Loss .....		X X X		X X X	X X X
10.	Cash Flow Results .....	X X X	X X X	X X X	X X X	

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$.....0 due from CMS or \$.....0 due to CMS

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